GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2012
ANSWERED ON:05.08.2005
VAT IMPLEMENTATION
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Will the Minister of FINANCE be pleased to state:

(a) whether Government have made any assessment of the implementation of the VAT system in majority of the States;

(b) if so, the details thereof;

(c) the attitude of the States who have not implemented the system so far as Tamil Nadu, Uttaranchal, Rajasthan, Gujarat, Madhya Pradesh, Jharkhand, Chhattisgarh, etc.,

(d) whether many traders have not claimed credit for inventory; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): The general feedback from VAT implementing States/ UTs is that the new system has been received well by the business community as well as the public. There were some initial problems at the time of introduction of VAT, which have been resolved by and large by the States through constant interaction with the stakeholders.

(c): Regarding the States/ UTs who have not yet implemented VAT, there is no information regarding these States/ UTs deciding to implement VAT, except for the UT of Chandigarh, who have decided to adopt the Punjab VAT law, for which necessary legal formalities are in the process of being completed.

(d) & (e): Although the dealers have started claiming credit in respect of inventory in a number of States, it is likely to take a few months before the process is completed.